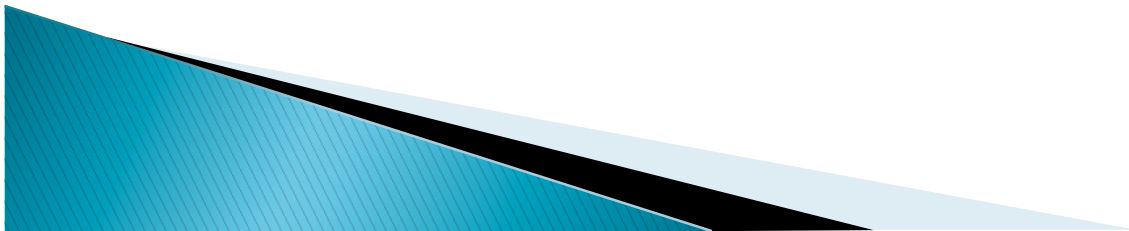# Duplication of Benefit

Monica Mota
Program Development Manager
Texas General Land Office
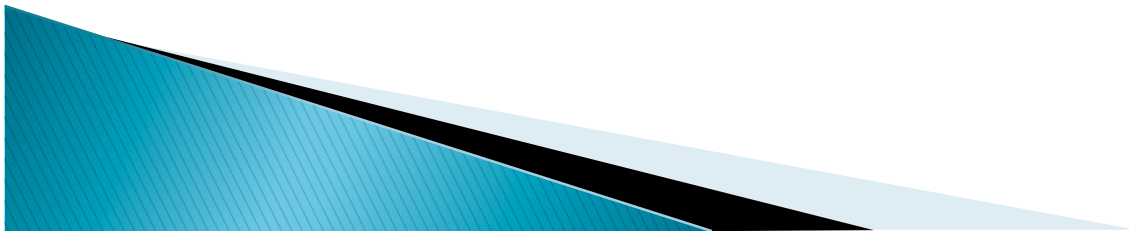
Duplication of Benefits

- CDBG <u>cannot</u> Duplicate Benefits received from other sources to address the same needs.

- DOB impacts all parts of CDBG funding

- **The Robert T. Stafford Act** (42 U.S.C. 5155 (a)) – Prohibits any person, business concern, or other entity from receiving CDBG Disaster Recovery funding "to the extent such assistance duplicates benefits available to the person for the same purpose from another source".
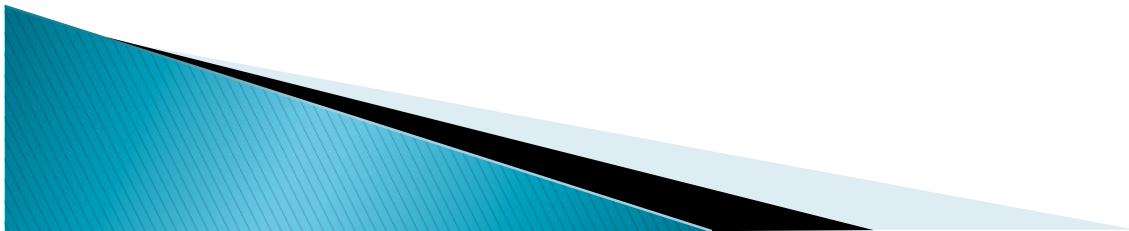
Types of Assistance

- SBA Loans

- FEMA Individual Assistance

- Grants/ assistance from Non-Profits/ Charities

- Insurance Settlements

- CDBG Assistance

Who should I check for DOB?

- Duplication of Benefits (DOB) evaluation must be conducted on <u>every</u> applicant.

- Applicants should sign Subrogation Agreement to cover funds received after DR award.

- **Documentation is key.**

Updated DOB Guidance from HUD

- Additional flexibility to DOB since Round 1

- Reduce/Eliminate gap amounts through a lesser award

- Housing plan alternates may include type of material, square footage, and occupancy size
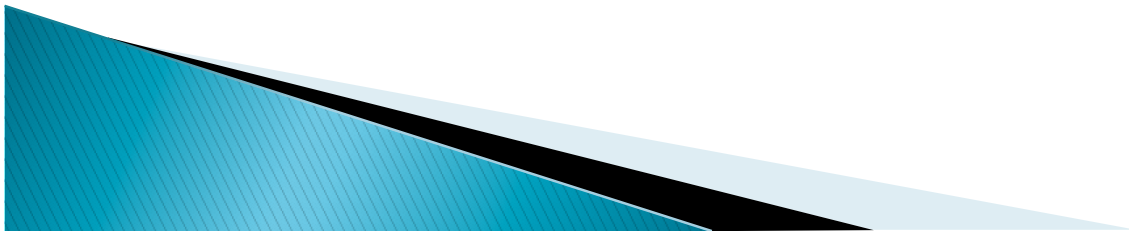
DOB Calculation Form

Texas General Land Office - Disaster Recovery

Duplication of Benefits (DOB) Calculation Form

The DOB calculation form must document the total amount of DOB per household / property. All DOB calculated must follow the latest Clarification of Duplication of Benefits requirements under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees (71060 Federal Register/Vol. 76, No. 221/ Wednesday, November 16, 2011/Notices and 42 U. S.C. 5155 Section 312 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act, as amended).

Subrecipient must first determine the applicant's total post-disaster recovery need (based on actual bid and program caps). Then the Subrecipient must reduce the determined need by funding previously received for the same purposes. The remaining amount and any associated program caps is what the CDBG program is able to award. Following the identification of the total need, duplicative assistance must be calculated and documented below. See DOB: *http://www.glo.texas.gov/GLO/_documents/disaster-recovery/housing/forms/hud-dob-guidance.pdf*

Applicant ID No:		
Applicant Name:	Address:	
Subrecipient Name:	Contract #:	

Section 1

A. Assistance Type and Amount verified/ documented by Subrecipient:

FEMA		SBA	
Insurance		Other	
Total Assistance:		Other Description:	

B. Expenditures (Receipts/ Support Documentation)

Receipts:			
Inspection Report:		Forced Mortgage Payoff Amount:	
Total Expenditures:			

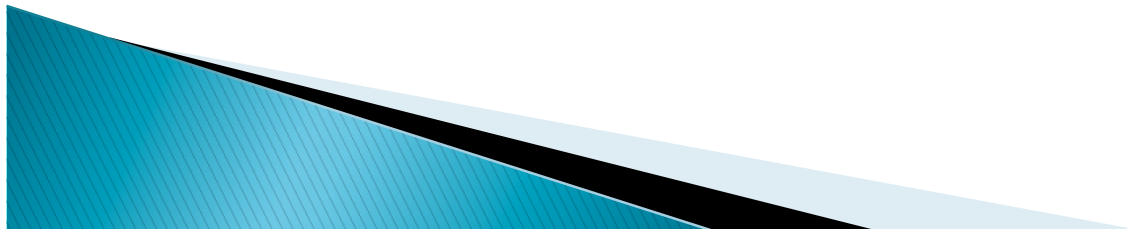| Total DOB (Difference calculated between Assistance minus Expenditures) = Remaining Gap	

Scenario 1: Positive DOB

A. Assistance Type and Amount verified/ documented by Subrecipient:

FEMA	$4,000.00	SBA	$1,000.00
Insurance	$500.00	Other	$500.00
Total Assistance:	**$6,000.00**	*Other Description:*	

B. Expenditures (Receipts/ Support Documentation)

Receipts:	$2,000.00		
Inspection Report:	$2,500.00	Forced Mortgage Payoff Amount:	$0.00
Total Expenditures:	**$4,500.00**		

Total DOB (Difference calculated between Assistance minus Expenditures) = Remaining Gap	$1,500.00

Section 2

Options/Alternatives:	Options	
Original Project Cost Amount:	$125,000.00	Enter Bid Amount Here (e.g., 120000)
DOB Calculated:	$1,500.00	DOB as Calculated in Section 1
Total Reductions to Bid Amount:*	$0.00	Total Reductions from the Original Bid Amount* (e.g., 5000)
Provide Other Funding:	$1,500.00	Total Amount of Other Funding by Applicant (e.g., 5000)
Remaining Gap:	$0.00	

Itemization must be captured on Homeowner DOB Exception Acknowledgment Form and must accompany this checklist

Subrecipient Signature:		Date:	

Solution 1a: Other Funding provided by applicant to cover Gap.

Remaining Gap = $0
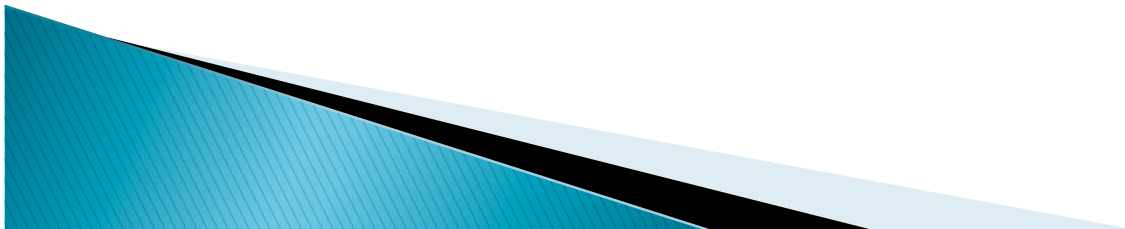
Section 2

Options/Alternatives:	Options	
Original Project Cost Amount:	$125,000.00	Enter Bid Amount Here (e.g., 120000)
DOB Calculated:	$1,500.00	DOB as Calculated in Section 1
Total Reductions to Bid Amount:*	$1,500.00	Total Reductions from the Original Bid Amount* (e.g., 5000)
Provide Other Funding:	$0.00	Total Amount of Other Funding by Applicant (e.g., 5000)
Remaining Gap:	$0.00	

Itemization must be captured on Homeowner DOB Exception Acknowledgment Form and must accompany this checklist

Subrecipient Signature:		Date:	

Solution 1b: Reductions to home to cover Gap. Reduction must be itemized on DOB Exception Form.

Remaining Gap = $0

Scenario 2: No DOB

Section 1

A. Assistance Type and Amount verified/ documented by Subrecipient:

FEMA	$4,000.00	SBA	$1,000.00
Insurance	$500.00	Other	$500.00
Total Assistance:	**$6,000.00**	*Other Description:*	

B. Expenditures (Receipts/ Support Documentation)

Receipts:	$4,500.00		
Inspection Report:	$2,500.00	Forced Mortgage Payoff Amount:	$0.00
Total Expenditures:	**$7,000.00**		

Total DOB (Difference calculated between Assistance minus Expenditures) = Remaining Gap	**($1,000.00)**

Section 2

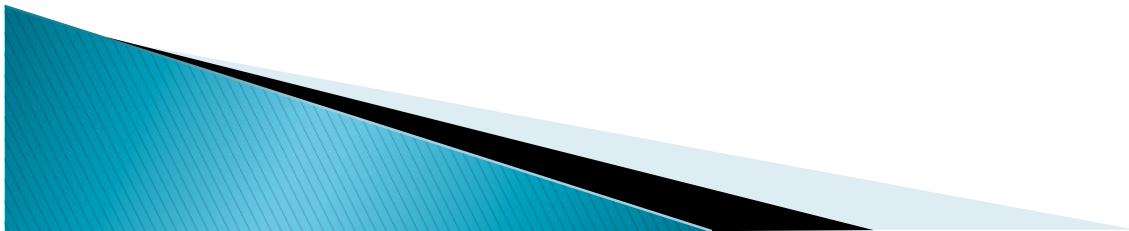| Options/Alternatives:	Options	
Original Project Cost Amount:	$125,000.00	Enter Bid Amount Here (e.g., 120000)
DOB Calculated:	($1,000.00)	DOB as Calculated in Section 1
Total Reductions to Bid Amount:*	$0.00	Total Reductions from the Original Bid Amount* (e.g., 5000)
Provide Other Funding:	$0.00	Total Amount of Other Funding by Applicant (e.g., 5000)
Remaining Gap:	($1,000.00)	

Itemization must be captured on Homeowner DOB Exception Acknowledgment Form and must accompany this checklist

In this scenario, there is no remaining Gap.
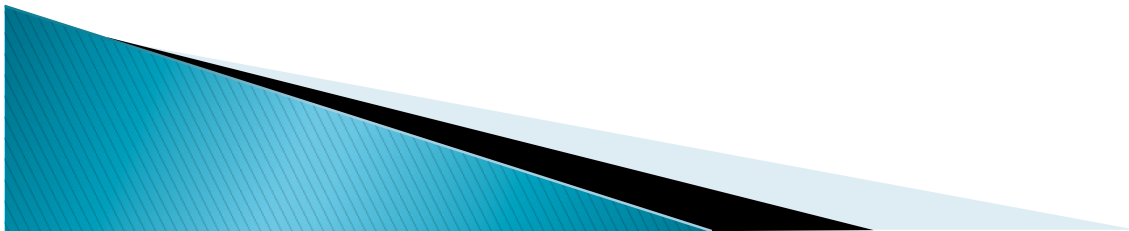
When to allow reductions

- Reductions only available as a *last resort*.

- Applicant must certify.

- Items removed/ changed must be able to be tied back to original bid/ project cost.

- Inhabitants must be left with safe and sanitary home.

DOB Exception Acknowledgment Form

Texas General Land Office
Community Development Block Grant (CDBG)
Disaster Recovery Program

Revised Form effective 9/17/2012

DOB Exception Acknowledgment Form

The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG Disaster Recovery funding with respect to any part of a loss resulting from a major disaster as to which he has already received financial assistance under any other program, such as FEMA, or from insurance or any other source. The state will allow for the most permissive current interpretation provided by HUD in determining Duplication of Benefit. Financial assistance received from any organization that is provided for the stated purpose of housing repair is considered a DOB, including funding received for the express purpose of funding the gap between the amount that can be provided under the program and the total amount of funding needed to participate, which is often referred to as the applicant's "gap."

The Stafford Act has been explained to me and I understand that a gap exists between funding sources I have received and the CDBG benefit that I would otherwise qualify for. To utilize multiple federal funding sources without resulting in a Duplication of Benefit, I understand an exception to the standard specifications will need to be made home in order to provide a solution while still maintaining a safe sanitary home.

Applicant's Name:		**Subrecipient:**	
Property Address:		**Total GAP identified:**	

Applicant select one of the following options:

☐ I have no receipts/documentation and cannot pay Gap owed.

☐ I have some receipts/documentation or inspection to document repairs and cannot pay the remainder of the Gap identified.

The following items were lessened from the original bid submitted (Items must match original bid):					
Original Project Cost Item:	Items Removed/Changed	Description of Change	Cost	Add a Row	
				+	-
				+	-
			Total Amount of Reduction:		

I and/or we confirm I/ we have no other option to pay Gap owed and I /we are opting for a lesser option as described above.

Signature of Applicant		Date:	
Signature of Co-Applicant		Date:	
Signature of Builder		Date:	
Subrecipient Representative		Date:	

Document in Housing Contract System (HCS)

ADDRESS

Line 1

Line 2

City   St

County HARDIN   County Co

ALLOCATION

Fund	Funded	Total Drawn	Refunded	Net Drawn	Available
Total	$0.00	$0.00	$0.00		

DRAW BALANCES

	CDBG Setup Amount	Gap Financing	Funded Am
Project	$0.00	$0.00	

BUDGET

CDBGDR3 Setup Amount   0.00

Gap Financing Amount   0.00

Budget Category

ADDRESS

Line 1

Line 2

City

County

Things to Remember

- Step 1: All applicants must have a <u>DOB Calculation Form</u> on file, *even if it is to document $0 other assistance*.

- Step 2: Last resort "lesser awards" are available and must be documented in the <u>DOB Exception Acknowledgment Form</u>.

- Step 3: Document in HCS.
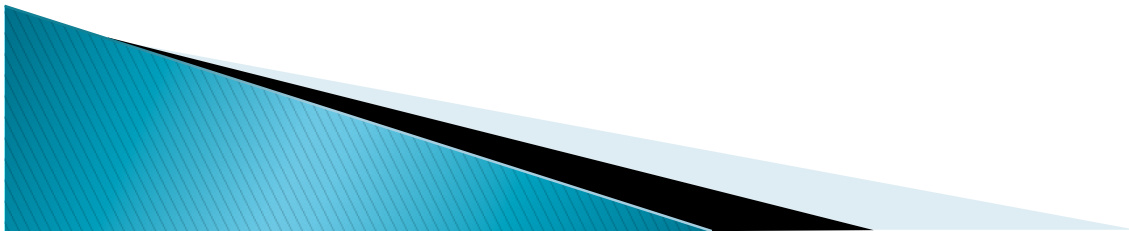
Thank You
Q & A

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